

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-14 EUR-12 IO-14 ISO-00 STR-05 SIG-02  
MMO-04 AF-10 EA-12 NEA-10 FEA-01 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15  
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 /163 R

DRAFTED BY EB/OT/GCP:JSLATTERY

APPROVED BY EB/OT: SAHMAD

STR:DCOOPER

-----119536 160755Z /14

R 160557Z SEP 77

FM SECSTATE WASHDC

TO ALL AFRICAN DIPLOMATIC POSTS

ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS

ALL OECD CAPITALS

AMEMBASSY NICOSIA

AMEMBASSY VALLETTA

USMISSION GENEVA

AMCONSUL BELIZE

AMCONSUL CURACAO

AMCONSUL HAMILTON

AMEMBASSY BUCHAREST

XMT AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY DOHA

AMEMBASSY TEHRAN

AMEMBASSY ABU DHABI

AMEMBASSY TRIPOLI

AMEMBASSY ALGIERS

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ACTION GSP CAPITALS ONLY

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E.O. 11652:N/A

TAGS: ETRD

SUBJECT: GSP: NEW REGULATIONS

REF: (A) STATE 210042, (B) NEW DELHI 12782 (NOTAL)

1. NEW GSP REGULATIONS (SEE REF A) HAVE BEEN PUBLISHED IN FEDERAL REGISTER OF SEPTEMBER 9. IN ADDITION TO INFO GIVEN REF A, THE FOLLOWING SHOULD BE NOTED.

2. WE HAVE RECEIVED SOME EXPRESSIONS OF CONCERN THAT A) THE NEW PROCEDURES IMPOSE A HEAVY BURDEN ON FOREIGN GOVERNMENTS TO GATHER INFORMATION IN SUPPORT OF THEIR REQUESTS FOR PRODUCT ADDITIONS TO GSP, AND B) THAT THE DEADLINE FOR THE SUBMISSION OF SUCH REQUESTS (OCTOBER 3) IS UNREASONABLY SHORT. YOU MAY DRAW ON THE FOLLOWING EXPLANATION IN RESPONSE TO ANY COMPLAINTS FROM YOUR HOST GOVERNMENT.

3. DOMESTIC US PETITIONERS HAVE BEEN REQUIRED SINCE THE INCEPTION OF THE US GSP TO SUPPORT THEIR REQUESTS FOR PRODUCT ADDITIONS OR REMOVALS WITH APPROPRIATE INFORMATION. NEW REGULATIONS MERELY EXTEND TO FOREIGN GOVERNMENTS SOME OF THE REQUIREMENTS THAT HAVE BEEN ALREADY IMPOSED UPON DOMESTIC PETITIONERS AND THEREFORE MODIFY AN ASPECT OF THE PROGRAM WHICH HAS BEEN CRITICIZED AS INEQUITABLE. MOREOVER, EXPERIENCE IN THE INTER-AGENCY GROUP WHICH IS CHARGED WITH ACTING ON REQUESTS FOR PRODUCT ADDITIONS AND DELETIONS HAS SHOWN THAT IT IS EXTREMELY DIFFICULT TO MAKE A DECISION ON REQUESTS WHICH ARE NOT ACCOMPANIED BY SUPPORTING INFORMATION REGARDING PRODUCTION, EMPLOYMENT, ETC. UNCLASSIFIED

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FOREIGN GOVERNMENTS HAVE SUBMITTED SEVERAL HUNDRED SUCH UNSUPPORTED REQUESTS. BECAUSE OF THE PRESSURES OF TIME AND THE NEED TO GATHER BACKGROUND INFORMATION ON THESE REQUESTS, THE INTER-AGENCY GROUP HAS BEEN ABLE TO GIVE SERIOUS CONSIDERATION TO ONLY A FEW DOZEN OUT OF ALL THE REQUESTS MADE BY FOREIGN GOVERNMENTS. ALTHOUGH THE INTER-AGENCY GROUP TRIED TO CHOOSE FOR PRIORITY ATTENTION THOSE ITEMS WHICH IT THOUGHT WERE OF GREATEST INTEREST TO THE DEVELOPING COUNTRY REQUESTORS AND THOSE ITEMS WHICH APPEARED TO HAVE THE BEST CHANCE OF BEING APPROVED AS ADDITIONS TO GSP, THERE WAS VIRTUALLY NO BACKGROUND INFORMATION FROM THE REQUESTING GOVERNMENT UPON WHICH TO BASE THESE CHOICES. CONSEQUENTLY, WE BELIEVE THAT THE REQUIREMENT FOR FOREIGN GOVERNMENTS TO PROVIDE BACKGROUND INFORMATION WILL BE BENEFICIAL TO THEM IN THAT IT WILL ALLOW THE DECISION-MAKING PROCESS TO BE IMPROVED AND EXPEDITED.

4. FYI. REQUESTS FROM MANY FOREIGN GOVERNMENTS INCLUDED MANY ITEMS WHICH WERE SPECIFICALLY EXCLUDED FROM GSP TREATMENT BY THE US TRADE ACT, AS WELL AS OTHERS IN WHICH THE COUNTRY HAD NO REPEAT NO PRODUCTION AND NO

REPEAT NO PLANS TO INITIATE PRODUCTION. IN ADDITION, MANY REQUESTS WERE SO VAGUE, GENERAL OR POORLY DESCRIBED THAT IT WAS DIFFICULT TO KNOW WHICH PRODUCT OR PRODUCTS WERE BEING REQUESTED. WE, THEREFORE, CONCLUDED THAT IT WAS NECESSARY TO ASK GOVERNMENTS TO PROVIDE BACKGROUND INFORMATION IN ORDER TO FORCE THEM TO GIVE THEIR REQUESTS SERIOUS ATTENTION AND TO SUBMIT ONLY THOSE OF REAL INTEREST TO THEM, RATHER THAN LONG "WISH LISTS." END FYI.

5. WE REALIZE THAT THE DEADLINE FOR THIS YEAR'S REVIEW OF REQUESTS FOR PRODUCT ADDITIONS AND DELETIONS IS VERY NEAR. POSTS SHOULD EMPHASIZE TO HOST GOVERNMENTS WHO ARE WORRIED ABOUT THE LACK OF TIME THAT THE TIMING OF THIS YEAR'S REVIEW IS EXCEPTIONAL. WHERE INFORMATION IS UNCLASSIFIED

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READILY AVAILABLE, FOREIGN GOVERNMENT CAN SUBMIT ITS PETITION BY THE OCTOBER 3 DEADLINE. HOWEVER, REVIEWS OF REQUESTS FOR GSP PRODUCT CHANGES WILL BE HELD ANNUALLY BY THE USG. WHERE INFORMATION IS NOT REPEAT NOT READILY AVAILABLE TO SUPPORT A PRODUCT REQUEST, FOREIGN GOVERNMENT SHOULD FOCUS ITS PREPARATIONS FOR THE 1978 REVIEW. TIMETABLE FOR ALL ANNUAL REVIEWS BEGINNING IN 1978 IS AS FOLLOWS:

ANNOUNCEMENT OF REVIEW - JUNE 1; DEADLINE FOR RECEIVING PETITIONS - JULY 15; ANNOUNCEMENT OF ACCEPTED PETITIONS - AUGUST 1; PUBLIC HEARINGS BEGIN - SEPTEMBER 15; EFFECTIVE DATE FOR CHANGES - MARCH 1 OF FOLLOWING YEAR.

POSTS MAY ALSO SUGGEST TO HOST GOVERNMENTS THAT INFORMAL SUBMISSIONS MAY BE MADE AROUND MARCH, 1978 OR EARLIER FOR INFORMAL US COMMENT, IN ORDER TO HELP ASSURE THAT PROPER AND COMPLETE SUBMISSIONS ARE PROVIDED BY JULY 15, AS REQUIRED BY THE REGULATIONS.

6. WE HAVE ALSO NOTED THAT THERE HAS BEEN SOME CONFUSION BY SOME ACTION ADDRESSEES REGARDING THE PRODUCTS REQUESTED BY CERTAIN GOVERNMENTS AND SPECIFICALLY LISTED IN SEPTELS. THIS IS TO CONFIRM THAT THE PRODUCTS ENUMERATED IN THE CABLES ARE PRODUCTS WHICH WE HAVE DETERMINED AS POTENTIALLY REPEAT POTENTIALLY ELIGIBLE FOR ADDITION TO THE GSP. THIS LIST WAS DERIVED BY TAKING THE LIST OF ALL PRODUCTS REQUESTED TO BE ADDED TO GSP BY YOUR HOST GOVERNMENT, AND DELETING FROM THAT LIST A) ALL ITEMS WHICH ARE LEGALLY PROHIBITED FOR GSP TREATMENT BY THE TRADE ACT AND B) ALL ITEMS WHICH HAD ALREADY BEEN REVIEWED AND DECIDED UPON (I.E., REQUESTS FORMALLY ACCEPTED OR REJECTED) BY THE INTERAGENCY GSP GROUP. UNCLASSIFIED

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CONSEQUENTLY, THE PRODUCTS ENUMERATED REPRESENT THOSE REQUESTS FROM YOUR HOST GOVERNMENT WHICH WE MIGHT LEGALLY BE ABLE TO CONSIDER FOR GSP BUT WHICH THE GSP INTERAGENCY GROUP WILL BE UNABLE TO CONSIDER WITHOUT ADDITIONAL INFORMATION, AS DESCRIBED ABOVE. WE PROVIDED THIS LIST TO POSTS AND TO FOREIGN GOVERNMENTS AS A CONVENIENCE TO THE REQUESTING GOVERNMENT, IN ASSISTING THEM TO PREPARE THEIR SUBMISSIONS FOR THE REVIEW BEGINNING IN OCTOBER, 1977 IF POSSIBLE, OR IN JULY, 1978 IF THEY CANNOT MEET THE OCTOBER 3 DEADLINE. WE ASSUME YOUR HOST GOVERNMENT OFFICIALS MAY WANT TO RESUBMIT AT LEAST SOME OF THE PRODUCTS LISTED AND PROVIDE SUPPORTING INFORMATION FOR THOSE PRODUCTS.

7. PLEASE NOTE THAT THESE REQUESTS MUST BE RESUBMITTED REPEAT RESUBMITTED, ALONG WITH THE APPROPRIATE INFORMATION, TO BE CONSIDERED IN OCTOBER 1977 OR JULY 1978 REVIEWS. RESUBMISSIONS AND NEW SUBMISSIONS MAY BE MADE THROUGH DIPLOMATIC CORRESPONDENCE OR DIRECTLY TO THE CHAIRMAN OF THE GSP SUBCOMMITTEE OF THE TRADE POLICY STAFF COMMITTEE. IF THE LATTER IS CHOSEN, PETITIONS SHOULD BE SENT (TWENTY COPIES) TO: CHAIRMAN, GSP SUBCOMMITTEE, TRADE POLICY STAFF COMMITTEE, OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, 1800 G STREET, N.W. WASHINGTON, D.C. 20506.  
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## Message Attributes

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**Review Markings:**  
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